

## **STATEMENT**

### **Arizona Field Hearing on 2007 Farm Bill**

**May 1, 2006**

I am Nic Helderman, Chief Operating Officer, at Eurofresh Farms in Willcox, Arizona. Eurofresh Farms produces tomatoes and cucumbers year round in state of the art greenhouses. We started in 1992. At the moment Eurofresh Farms has 265 acres of greenhouses and we employ 1050 employees, producing 3 million pounds of tomatoes and cucumbers per week. These tomatoes and cucumbers are sold all through the United States.

Mr. Chairman and distinguished members of the committee, thank you for the opportunity to discuss federal agriculture policy and the 2007 Farm Bill. It is critically important that Congress focus on the many challenges that now face our nation's growers of fruits, vegetables and other specialty crops. I commend you for coming to Arizona to learn more about these issues.

Growers of specialty crops currently are confronted by many pressing issues that must be addressed by Congress in the 2007 Farm Bill. As markets become globalized, as federal and state regulation of our industry increases, and as trade barriers continue to block access to foreign markets, it is increasingly difficult for growers to compete against foreign producers who are often heavily subsidized and minimally regulated.

A competitive domestic specialty crop industry is necessary for the production of an abundant, affordable supply of highly nutritious specialty crops. In addition, with all the concerns about food safety and bio-terrorism today, a secure domestic food supply is critical to our national security. Federal agriculture policy must be improved dramatically if we are to sustain an efficient and productive domestic specialty crop industry.

It is important to note that specialty crop growers produced over \$55 billion in crops at the farm-gate value in 2004, or approximately 50% of the value of total crop production in the United States. However, only a very small portion of the resources of the USDA budget are allocated to policies and programs that address issues of concern to specialty crop growers. In the future, the allocation of federal resources aimed at addressing issues of concern to specialty crop growers must reflect the value of their production to our economy, as well as the dietary and health needs of American consumers.

It is important to understand that growers of specialty crops have different characteristics and face unique challenges compared with growers of federal program crops. As a result, many federal agricultural policies do not adequately address the needs of specialty crop growers.

As noted above, specialty crop growers in Arizona and across the nation make a large contribution to our economy. However, this economic activity is in jeopardy due to a number of disturbing trends now facing our industry. These trends include:

- Stagnant export growth due to a lack of access to foreign markets. As a result, a U.S. trade surplus in fruits and vegetables of over \$600 million in 1995 has become a trade deficit of nearly \$2.3 billion in 2005;
- Heavily subsidized foreign competition. For example, the European Union provides over \$12 billion annually in subsidies to fruit and vegetable growers;
- The loss of cost-effective crop protection tools due to federal and state laws;
- Increasing import competition from growers in nations with minimal regulation;
- Increasing pest and disease problems due to the growth of international trade; and,
- Increasing federal and state regulation, such as clean air and clean water restrictions.

These trends represent extremely difficult challenges because they are putting enormous downward pressure on the economic returns of specialty crop growers. The federal government has an important role to play in making sure specialty crop growers have the tools needed to combat these forces and ultimately remain competitive in global markets.

As you know, the Specialty Crop Competitiveness Act was introduced in 2003 to begin addressing the trends mentioned above. The enactment of an amended version of this legislation in 2004 was a small, first step towards this objective. The support and leadership of the members of this subcommittee on behalf of the Specialty Crop Competitiveness Act is greatly appreciated.

Much work remains to be done in the 2007 Farm Bill to address the competitive issues that confront specialty crop growers. As a member of Western Growers, I am aware that our industry has already started working on proposals for the Farm Bill. Western Growers is co-chairing the Farm Bill Steering Committee, which is working to develop a broad array of proposals aimed at improving and expanding federal programs to meet the needs of specialty crop growers. The policy areas addressed by this proposal include: commodity programs; nutrition policy; expanded international market access; pest and disease exclusion; research and development; and other federal agriculture programs. The FBSC proposals are expected to be introduced as legislation in Congress later this year. It is our hope that these proposals will be enacted as part of the 2007 Farm Bill.

The support for current methods of growing crops in the United States is both vital and important to our country's agricultural production and overall economy. We would also like to highlight that there is an emerging method of growing specialty crops that is worthy of consideration. In the Southwest, Controlled Environmental Agricultural Center or Greenhouse technology is effectively and efficiently producing tomatoes and cucumbers by utilizing the abundant sunlight while significantly conserving water. The benefit of Greenhouses extends beyond water conservation by helping to lower emissions through energy efficient heating and cooling systems that ultimately create oxygen and reduce carbon dioxide.

Our challenge is that what is internationally declared as “Greenhouse Grown” is not comparable to the high tech standards found in the United States. This gives an unfair advantage to those international growers who do not provide the same quality products that are pesticide free and grown to Federal regulated standards. Having a USDA approved “Greenhouse Grown” standard would be a first good step to leveling the playing field.

To conclude, Arizona specialty crop growers would greatly appreciate the opportunity to work with the members of Congress in crafting a Farm Bill that fully recognizes our unique needs, and also allocates a level of resources sufficient to sustain our growers in global markets. As a member of Western Growers Association, I also like to include in the text of my testimony for your consideration a number of concerns outlined in the attached “Fruit and Vegetable Industry Priorities for the 2007 Farm Bill”.

Thank you, Mr. Chairman, for this opportunity to testify before your committee.